

REMARKS/ARGUMENTS

The Examiner is thanked for the patience and care with which the issues regarding the specification and figures have been addressed. The Applicant appreciates the hard work involved.

5 This document is filed in response to the Examiner's Office Action mailed September 26, 2005. The response is being structured to focus on the independent Claims first, the previously presented dependent Claims, and finally, the new independent Claims.

Rejections Under 35 USC Section 103 of Independent Claims 1 and 32

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The Examiner has rejected all of the claims under 35 USC Section 103(a) in several subsets of claims based on various combinations of prior art. The basis for rejection of each claim will be addressed in sections further below.

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Traverse of Rejection of claims 1 and 32

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The Examiner has rejected claims 1, and 32, as being unpatentable over Fraser et al (5,995,947), Tengel et al (5,940,812), and the Teixeira reference. The Applicant has carefully reviewed the Examiner's arguments and disagrees with the Examiner's argument for rejection for the following reasons:

(1) The elements for *prima facie* obviousness have not been met by the prior art reference combination proposed by the Examiner because:

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(a) The prior art references when combined do not teach or suggest all the claim limitations;

(b) There was no a reasonable expectation of success at the time the Applicant invented the claimed method;

(c) There was no suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings;

(d) The Applicant asserts that the standard of ordinary skill inherent in the analysis used in the Examiner's rejection is incorrect;

(2) The long-felt need for, and the failure of others to develop, the Applicant's claimed method indicates that the claimed invention is not obvious; and

5 (3) The commercial success of the Applicant's claimed method indicates that the claimed invention is not obvious.

Independent Claims 1 and 32 currently read as follows:

10 1. (Previously Presented) A data processing system for managing the origination of a mortgage loan by a loan originator in coordination with a loan broker for a loan customer, comprising:

 means for collecting data regarding the loan customer not previously possessed by the loan originator;

15 means for generating a loan application for the loan customer regarding the not previously possessed data regarding the loan customer;

 means for generating disclosure documents regarding the mortgage loan and the already possessed data and the not previously possessed data regarding the loan customer; and

20 means for transferring the loan application to the loan broker;

 wherein the loan originator provides services necessary for the origination of the mortgage loan and not duplicative of services provided by the loan broker, making a loan origination fee paid to the loan originator at a time of closing on the mortgage loan legally compliant with the guidelines of the Real Estate Settlement
25 Procedures Act ("RESPA");

 wherein the loan originator is not the loan broker; and

 the loan originator is not the loan customer.

32. (Previously presented) A computerized method of managing the origination of a mortgage loan by a loan originator in coordination with a loan broker for a loan customer, comprising the steps of:

generating a loan application for the loan customer regarding not previously
5 possessed data by the loan originator about the loan customer;

generating disclosure documents regarding the mortgage loan and the not
already possessed data regarding the loan customer; and

transferring the loan application to the loan broker;

wherein the loan originator provides services necessary for the origination of
10 the mortgage loan and not duplicative of services provided by the loan broker,
making a loan origination fee paid to the loan originator at a time of closing on the
mortgage loan legally compliant with the guidelines of the Real Estate Settlement
Procedures Act ("RESPA");

wherein the loan originator is not the loan broker; and

15 wherein the loan originator is not the loan customer.

**(1) The elements for *prima facie* obviousness have not been met by the prior art
reference combination proposed by the Examiner.**

20 The Applicant disagrees with the Examiner's rejection of these Claims. The MPEP eighth
edition second revision acrobat format in section 706.02(j), reads as follows (the emphasis of
italicizing is made in the MPEP and is quoted exactly):

"To establish a *prima facie* case of obviousness, three basic criteria must be met.

25 First, there must be some suggestion or motivation, either in the references
themselves or in the knowledge generally available to one of ordinary skill in the art,
to modify the reference or to combine reference teachings. Second, there must be a
reasonable expectation of success. Finally, the prior art reference (or references when
combined) must teach or suggest all the claim limitations. The teaching or suggestion

to make the claimed combination and the reasonable expectation of success must both be found in the prior art and not based on applicant's disclosure."

The rule under MPEP Section 706.02(j) requires three criteria to be met. The applicant respectfully asserts that none of the three criteria are met by the combination proposed by the Examiner. The criteria will be discussed in reverse order below. In addition to the required criteria, the Applicant asserts that the standard of ordinary skill inherent in the rejection analysis used in the Examiner's arguments is incorrect.

(a) The prior art reference references when combined do not teach or suggest all the claim limitations

Regarding the third criteria stated in the MPEP, section 706.02(j), "[T]he prior art reference (or references when combined) must teach or suggest all the claim limitations." The Applicant does not find a teaching or suggestion of all the elements of the Claims in the cited prior art.

The Examiner states that Teixeira teaches "wherein the loan originator provides services necessary for the origination of the mortgage loan and not duplicative of services provided by the loan broker, making a loan origination fee paid to the loan originator at a time of closing on the mortgage loan legally compliant with the guidelines of the Real Estate Settlement Procedures Act ("RESPA")."

The Applicant disagrees, compliance with RESPA is not mentioned nor is it implied. Without knowledge of the Applicant's patent application, the Examiner has found no public document, as of the time of the application's filing, enabling one of ordinary skill in the art knowledge of all the elements, much less their combination.

As stated in previous papers, the Applicant finds that Fraser (US 5,995,947) does not teach mortgage origination through a loan originator distinct from the loan broker and the lender. Consider

Figure 1 of Fraser. There are broker stations and lender stations, but no distinct loan originator stations. Consider Figure 2 of Fraser. There are paths for borrower/broker entry, lender entry, accept bid, and qualify borrower. This is the only other figure in the patent. Nowhere are the system interface or operational process of a loan originator distinct from the loan broker shown, disclosed, taught or suggested.

As stated in previous papers, the Applicant finds that Tengel et al. (US 5,940,812) does not teach mortgage origination through a loan originator distinct from the loan customer, the loan broker and the lender. Consider Figure 1 of Tengel. There are consumer terminals and lender terminals. There are no distinct loan originator terminals. There are no distinct loan broker terminals. Nowhere in the Figures nor in the text of this patent are these distinct elements shown, disclosed, taught or suggested.

Accordingly, the prior art references when combined do not teach or suggest all of the claim limitations. The combination proposed by the Examiner, therefore, does not create the Applicant's claimed invention.

(b) There was no a reasonable expectation of success at the time the Applicant invented the claimed method.

The Applicant strongly questions the expectation of success asserted by the Examiner when there is an explicit prior art citation of record, teaching away from the elements of the invention, in a trade journal targeting those of ordinary skill in the art. The trade journal paper is entitled "Stay in Tune with RESPA", which was submitted in a previous response in June of 2004. To quote the first page "The message is simple: do not, under any circumstances, give any sort of fee or gift to anyone for referring customers ..." It also states that "Some originators may unwittingly be breaking RESPA's laws ...".

The Examiner has not provided proof that one of ordinary skill in the art of mortgage

brokering would have had general knowledge that such a combination would have a reasonable expectation of success. There has been no evidence provided by the Examiner showing that there is any publicly available legal discussion of RESPA, which points to the elements of compliance built into these Claims.

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Accordingly, there was no reasonable expectation of success by one of ordinary skill at the time the Applicant invented the claimed method. Therefore, the Applicant's claimed method was not obvious.

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(c) There was no suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings.

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"[T]he teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art and not based on applicant's disclosure."

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The Applicant finds that since all the elements are not present in the cited prior art, and there is no evidence of the general knowledge of one of ordinary skill to modify the references to create all of those elements, there can be no suggestion to combine them, because they are not available for combination nor available through modification of those references.

(d) The Applicant asserts that the standard of ordinary skill inherent in the rejection analysis used in the Examiner's arguments is incorrect.

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The suggestion or motivation for modifying or combining the references must come either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. The Applicant asserts that the ordinary skill in the art is rather low, and therefore one of ordinary skill in the art would have been incapable of making the modifications or combinations proposed by the Examiner at the time the invention was conceived.

There is no national standard for being a mortgage broker. What regulations exist are on a state level, and vary widely. Some states such as California require people take a short course and pass a test, but in other states, all one need do is pay a fee.

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Teixera does not even mention RESPA. The trade journal article "Stay in Tune with RESPA" speaks to those of ordinary skill in the art of mortgage brokering. The Examiner is asserting that on the basis of Teixera, a mortgage broker, whose knowledge of the law is so limited that they may have previously unwittingly broken RESPA, would know enough to be in compliance. The Applicant finds this to be an unreasonable standard for those of ordinary skill in the art of mortgage brokering, particularly when there has been no evidence provided by anyone showing that there is any publicly available legal discussion of RESPA, which points to the elements of compliance built into these Claims.

15 Therefore, even if the combinations of references proposed by the Examiner created the Applicant's claimed invention, one of ordinary skill in the art would not be capable of making such a combination. Therefore, the Applicant's claimed invention was not obvious to one of ordinary skill in the art at the time the claimed invention was filed.

20 **(2) Long felt need.**

The Applicant finds a long felt need for the invention. As Teixera points out, "Mortgage origination is highly labor intensive". Teixera suggests sharing the work, without saying how, or providing any insight into the requirements for doing so, that enable one of ordinary skill to make the invention as claimed.

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What this means is that the need for the Applicant's claimed invention has long been recognized, but until invented by the Applicant, did not exist.

(3) Commercial Success.

The Applicant will testify that their commercial use of the invention demonstrates its commercial success. The Applicant has generated significant revenues using the Applicant's claimed method. The Applicant asserts that part of that success results from the fact that until recently, competitors have not used the Applicant's claimed invention. The Applicant believes that some competitors may now be infringing on the Applicant's claimed method (evidence of such potential infringement has been submitted in related patent applications serial numbers 10/429,157 and 10/429,383). The potential infringement now occurring further supports the Applicant's view that if the Applicant's claimed invention were obvious, Applicant's competitors would have previously implemented the invention themselves.

In summary, the Applicant finds that all the cited prior art, taken individually or collectively, does not show, disclose, teach or suggest a loan originator distinct from the loan customer, the loan broker and the lender.

The elements of the invention are not accidental, but as indicated by the previously submitted copy of a letter from a lawyer to one of the inventors, was an intentional, researched, and necessary part of the invention. The Applicant submits that neither Fraser nor Tengel nor Teixeira teach or suggest these limitations. The Applicant submits that the cited references cannot be combined or modified based upon the general knowledge of one of ordinary skill to provide them. The Applicant respectfully requests that the Examiner remove the rejection from these Claims, and that claims 1 and 32 be allowed.

Traverse of the Rejection of Claims 2, 3, 12 to 20, 22 to 25, 27 to 29, 31, and 60 to 63

Claims 2, 3, 12 to 20, 22 to 25, 27 to 29, 31, and 60 to 63 are dependent upon Claim 1. Based upon the above arguments for Claim 1, and the novel and non-obvious features claimed in

these claims, the Applicant believes these Claims are patentable in light of the cited prior art. The Applicant requests that the Examiner remove the rejection of these Claims, and allow the claims.

Traverse of the Rejection of Claims 33 to 43, 45, 46, 48 to 50, 52 to 56, 58 and 59

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Claim 33 to 43, 45, 46, 48 to 50, 52 to 56, 58 and 59 are dependent upon Claim 32. Based upon the above argument for Claim 32, and the novel and non-obvious features claimed in these claims, the Applicant believes these Claims are patentable in light of the cited prior art. The Applicant requests that the Examiner remove the rejection of these Claims, and place them in condition for allowance.

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New Independent Claims 65 and 84

Claim 65 is a new independent claim incorporating the limitations of the previously presented claims 1 and 27; Claims 66 to 83 are dependent ultimately on claim 65. Claim 84 is a new independent claim incorporating the limitations of previously presented Claims 32 and 52; Claims 85 to 107 are dependent ultimately on Claim 84. The loan originator is at least one of a real estate broker, a real estate agent, a home builder, an FSBO, and a relocation company. These are exactly the people the article "Stay in Tune with RESPA" is warning about. Therefore these claims are clearly non-obvious in light of the cited prior art.

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Request for Telephone Interview:

The Applicant requests a telephone interview between Mr. Earle Jennings or Mr. Gregory Smith and the Examiner, should the Examiner find that this patent application is not in condition for allowance.

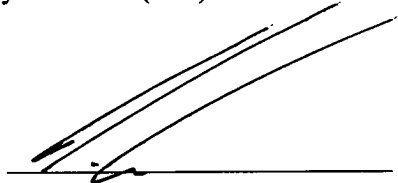
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Conclusion

5 The Applicant believes that the provided arguments address all the rejections raised by the Examiner, and respectfully request that the Claims be allowed. The Applicant further respectfully requests that a timely Notice of Allowance be issued in this case.

If we may be of any assistance in this case, please feel free to contact Earle Jennings or Gregory Smith at (510) 742-7417.

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